

Department of Planning and Budget 2016 Fiscal Impact Statement

1. Bill Number: HB1228

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron: Miller, J.H.

3. Committee: Passed Both Houses

4. Title: Boxing and wrestling events; provisions for sanctioning organizations.

5. Summary: Enhances the conflict of interest provisions for sanctioning organizations required for approval by the Director of the Department of Professional and Occupational Regulation, lists responsibilities of a sanctioning organization, and conditions under which an amateur martial artist cannot compete. The bill provides that any sanctioning organization seeking approval shall make a written application on a form prescribed by the Director. The annual application shall be accompanied by a fee of \$150, which shall adjust every five years, as of January 1 of that year, in an amount equal to the annual increases for that five-year period in the United States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor Statistics of the U.S. Department of Labor. The bill also provides that the Commonwealth, the Director, the Department, and any employee or representative thereof shall be indemnified and held harmless from any liability resulting from or caused by an approved sanctioning organization or persons conducting activities on behalf of an approved sanctioning organization. Additionally, the bill contains an emergency clause.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final. See item 8.

7a. Expenditure Impact: None.

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2016	\$0	n/a
2017	(\$16,350)	Special Revenue (Fund 0200)
2018	(\$16,350)	Special Revenue (Fund 0200)
2019	(\$16,350)	Special Revenue (Fund 0200)
2020	(\$16,350)	Special Revenue (Fund 0200)
2021	(\$16,350)	Special Revenue (Fund 0200)
2022	(\$16,350)	Special Revenue (Fund 0200)

8. Fiscal Implications: This bill eliminates the requirement for sanctioning organizations to pay a gate fee for amateur-only events conducted by the sanctioning organizations. This will decrease the amount of revenue collected by the Department of Professional and

Occupational Regulation (DPOR) for the Professional Boxing, Wrestling and Martial Arts program. Based on the first three months of activity since the amateur program implementation date of October 1, 2015, DPOR forecasts that there will be approximately 24 amateur events annually. The “gate fee” is five percent of an each event’s total gross proceeds and in 2015 sanctioning organizations paid an average gate fee of approximately \$700 per event. Total reduction in revenue is expected to be (\$16,800) annually.

The bill adds an annual application fee of \$150 for each sanctioning organization. Based on the three approved sanctioning organizations, annual revenue from the application fee is expected to be \$450. In order to collect sufficient revenue to cover the program’s expenses, this will require DPOR to initiate regulatory action to establish a fee structure in accordance with the Administrative Process Act and the Callahan Act.

9. Specific Agency or Political Subdivisions Affected: Department of Professional and Occupational Regulation.

10. Technical Amendment Necessary: Yes. Line 150, add a space between “approval” and “under”.

11. Other Comments: None.